

ILLINOIS INTERNATIONAL PORT DISTRICT

Summary Record of Proceedings of the REGULAR BOARD MEETING October 24, 2019

The Regular meeting of the Board of Directors of the Illinois International Port District and Committee meetings were held Thursday, October 24, 2019, at 3600 E. 95th Street, Chicago, Illinois.

The roll was called at 9:00 am. The following Directors were present: Michael Forde, Terry Fitzmaurice, Ray Suarez, Charles Bowen, Henry Wisniewski, Paul Chialdikas, and William Habel. Terry Sullivan was absent. A quorum was present.

Also present: Clayton Harris III, Executive Director; Counsel Brad Smith, Neal and Leroy; Kurt Oelerich, Treasurer.

General public present: Emily Rhodes; Matt Gomez, Active Transportation Alliance; Elaine Croft McKenzie, Cambridge Systematics; and, Elizabeth Scott, CMAP.

Mr. Suarez requested a moment of silence in acknowledgment of Congressman Elijah Cummings and his service to the country.

Chairman Forde opened the meeting and made a motion to suspend the order of the Board meeting and enter into the Leases and Agreements Committee meeting followed by the Finance and Personnel Committee meeting. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Director Del Mar made a request to join the meeting via teleconference. Chairman Forde made a motion to allow Director Del Mar to attend the meeting via teleconference. The motion was seconded by Mr. Suarez and the motion passed unanimously.

Due to the length of the Agenda and appreciating the time of the public attending the meeting, Chairman Forde made a motion to suspend the order of the Committee meetings to offer the public in attendance the opportunity speak prior to the start of the Committee and Board Meetings. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Public Comments were made by Mr. Gomez and Ms. McKenzie at this time, see Public Comment sections below.

SUMMARY REPORT ON STANDING COMMITTEES

Committee Members Present:

Michael Forde
Terry Fitzmaurice
Paul Chialdikas
Chuck Bowen
Ray Suarez
Henry Wisniewski

Others Present:

Clayton Harris III, Executive Director
William Habel
Aaron Del Mar, via teleconference
Brad Smith, Neal & Leroy
Kurt Oelerich, Treasurer

LEASES AND AGREEMENTS COMMITTEE

The Leases and Agreements Committee was held on Thursday, October 24, 2019.

Old Business

Butler Drive Project

Executive Director Harris reported the contract with RailWorks has been executed. Counsel Smith reported the Intergovernmental Agreement has been finalized. Executive Director Harris reported the first phase of the Butler Drive Project is underway.

CRL Proposal

Counsel Smith reported that revisions to the operating agreement for CRL to service COFCO is being completed and will be presented to CRL.

Marketing RFP and Painting RFP

Executive Director Harris reported he is completing the drafts of the RFP for the marketing of Port operations and for painting services relating to Sheds 1, 2 and 3. Executive Director Harris will submit the drafts to Committee members for comment prior to publishing in November.

Abbott Laboratories FTZ

Counsel Smith reported the Abbott Laboratories FTZ sub-zone expansion agreement with has been drafted. After discussion, the Committee recommended the Board approve the FTZ sub-zone expansion agreement with Abbott Laboratories.

Mieko America.

Counsel Smith reported he continues work on the agreement and hopes to present a draft at the November meeting for Committee and Board review.

LEASES AND AGREEMENTS COMMITTEE (continued)

New Business

FTZ Applications

Executive Director Harris reported he has received FTZ applications from Unilogic Group, LLC and Rugui Bright's USA. The applications will be presented to the Committee in November for review.

Executive Director Harris reported Panasonic is moving from one site to another site within the FTZ. Counsel Smith reported the application is being reviewed.

CTC 1

Executive Director Harris reported that he has been notified by ownership of the CTC 1 ship, located adjacent to the north grain elevator, will be moved by the end of October. The ship will be scrapped.

Mooring Rates

Executive Director Harris reported he has been notified that the Locks will be closed for maintenance in the near future. Executive Director Harris has been contacted by barge operators regarding the potential of parking barges at the Port facility during the Locks maintenance project. Executive Director Harris will be collecting further information on the project, as well as information on current mooring rates. Executive Director Harris will present his findings to the Committee at the November meeting.

EXECUTIVE SESSION

Chairman Forde made a motion to enter Executive Session to discuss: litigation updates and tenant updates. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Litigation Update – Executive Session
Tenant Update - Executive Session

Following discussion, Chairman Forde made a motion to exit Executive Session, the motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

There being no further business, Chairman Forde closed the Leases and Agreements Committee Meeting and opened the Finance and Personnel Committee Meeting.

FINANCE AND PERSONNEL COMMITTEE
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The Finance and Personnel Committee Meeting was held on Thursday, October 24, 2019.

Monthly Financial Reports and Financial Update

Treasurer Oelerich presented the September 2019 financial reports for review. A number of points were noted and discussed, including:

- The September 2019 revenue is above the budgeted amount. The 2019 year to date results are above the budgeted amounts.
- The September 2019 monthly total expense and year to date 2019 results fell below the budgeted amounts.
- The September 2019 Net Income exceeded the budgeted amount. Net Income for the year to date is above the budgeted amount.

Following discussion, the Committee recommended the Board of Directors approve the September Financial Reports.

Treasurer Oelerich reported the Harborside golf season is winding down. The initial reports from KemperSports reflect a very modest increase over the 2018 results. Treasurer Oelerich expects to receive a more detailed report from KemperSports in November.

Treasurer Oelerich reported Dockside Steel's rental payments continue to be in arrears.

Debt Refinancing

Counsel Smith reported on the extension of the Letter of Credit and the status of Loop Capital's work regarding refinancing. Counsel Smith reported documentation is being completed and he has weekly calls with Loop Capital. Counsel Smith believes an ordinance to move forward with an offering should be completed within weeks. Chairman Forde requested all documentation due to Loop Capital be completed in the next day or two.

Counsel Smith reported Loop Capital has submitted a revised engagement agreement, updating it from a year ago. The agreement will be reviewed by the Chairman for signature.

Counsel Smith reported Loop Capital published a Request for Proposal for a Trustee to serve on the new bond structure. Three responses were received: Amalgamated Bank, UMB Bank, and US Bank. Loop Capital recommend Amalgamated Bank. After discussion, the Committee recommended the Board approve Amalgamated Bank to act as Trustee.

Counsel Smith reported Loop Capital will be moving forward with preliminary marketing before the formal offering document goes to the market.

Dockage and Wharfage audit update

Executive Director Harris reported he is collecting cost proposals from companies that provide audits of dockage and wharfage. He will report back with his findings at the November meeting.

FINANCE and PERSONNEL COMMITTEE (continued)

EXECUTIVE SESSION

Chairman Forde made a motion to enter Executive Session to discuss: debt refinancing and personnel updates. The motion was seconded by Mr. Fitzmaurice and the motion carried unanimously.

Debt Refinancing Update – Executive Session
Personnel Updates – Executive Session

Following discussion, Chairman Forde made a motion to exit Executive Session, the motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

There being no further business for the Finance and Personnel Committee, Chairman Forde closed the Finance and Personnel Committee and opened the Regular Board Meeting.

REGULAR BOARD MEETING

The following Directors were present: Michael Forde, Charles Bowen, Ray Suarez, Terry Fitzmaurice, Henry Wisniewski, Paul Chialdikas, and William Habel. A quorum was present. Director Del Mar attended the meeting via teleconference.

ELECTIONS

Given Chairman Forde's recent resignation and the pending approval of new Board members, the Board agreed that Chairman Forde continue in an acting role until an election of a new Chairman is held. Counsel Smith indicated this process is in line with the Port's bylaws

ADOPTION OF MINUTES –

The Minutes of the August 16, 2019 and September 19, 2019 Board Meetings were presented. Chairman Forde made a motion to approve the August and September Minutes. The motion was made by Mr. Bowen and the motion passed unanimously.

Leases and Agreements Committee Report – Items Requiring Action

Chairman Forde reported the Committee recommended the Board of Directors approve the Abbott Laboratories FTZ expansion agreement. Chairman Forde requested a motion to approve the Abbott Laboratories FTZ agreement. The motion was made by Mr. Bowen, seconded by Mr. Chialdikas and the motion passed unanimously

Chairman Forde reported the Committee recommended the Board of Directors approve issuing a five-day notice to Dockside Steel and grant authority to Counsel Smith to issue an eviction notice if appropriate. Chairman Forde made a motion approving Counsel Smith to issue a five-day notice to Dockside Steel and to issue an eviction notice if appropriate. The motion was seconded by Mr. Chialdikas and the motion passed unanimously.

Finance and Personnel Committee Report – Items Requiring Action

Chairman Forde reported the Committee recommended the Board of Directors approve the August 2019 and September 2019 Financial Reports. Chairman Forde made a motion to approve the August 2019 and September 2019 Financial Reports. The motion was seconded by Mr. Fitzmaurice and the motion passed unanimously.

Chairman Forde reported the Committee recommended the Board of Directors approve a settlement agreement relating to the FOIA law suit within parameters defined. Chairman Forde made a motion to approve a settlement agreement relating to the FOIA law suit within the parameters defined. The motion was seconded by Mr. Chialdikas and the motion passed unanimously.

Finance and Personnel Committee Report – Items Requiring Action (continued)

Chairman Forde made a motion to appoint Counsel Smith as the Port's FOIA Officer, replacing Counsel Leroy. The motion was seconded by Mr. Suarez and the motion passed unanimously.

Chairman Forde reported the Committee recommended the Board of Directors approve Amalgamated Bank as Trustee to serve on the new bond structure and list Amalgamated Bank within the offering documents being prepared for refinancing. Chairman Forde made the motion to approve Amalgamated Bank as Trustee and list Amalgamated Bank within the offering documents being prepared for refinancing. The motion was seconded by Mr. Suarez and the motion passed unanimously.

Chairman Forde reported the Committee recommended the Board of Directors approve the redrafted engagement agreement with Loop Capital. Chairman Forde requested a motion to approve the redrafted agreement with Loop Capital. The motion was made by Mr. Fitzmaurice, seconded by Chairman Forde and the motion passed unanimously.

The Board had a brief discussion on meeting attendance and requested the Executive Director and Counsel Smith review the policy and provide a summary at the November meeting.

PUBLIC COMMENT


Mr. Gomez of Active Transportation Alliance introduced himself and his organization. He provided a handout to the Board members and discussed the group's projects. Mr. Gomez detailed the Lake Calumet Connection Project, including bike and walking trails and its connection with the Port. Mr. Gomez reported the group received funding for a feasibility study in 2019 from Invest in Cook and the group is waiting to hear about additional funding from IDNR. The feasibility study relates to a potential trail through the northern part of Lake Calumet, connecting the Community of Pullman to Big Marsh. The time frame for the feasibility study to be completed is estimated to be the end of 2020. Mr. Gomez will continue to provide updates to the Executive Director and Board.

Elaine Croft McKenzie of Cambridge Systematics introduced herself and indicated her group is the prime consultant on the Master Plan project. Ms. McKenzie updated the Board on the progress of the Master Plan. Ms. McKenzie reported Jacobs Engineering will be partnering in the project. The Plan is in the initial stages (Phase 1) and is expected to be a twelve-month project. Cambridge Systematics and CMAP will be working on public engagement. Phase 1 will include distribution of a public survey and interviewing key stakeholders (tenants, neighbors and developers in the area). Phase 2 will include appointing a steering committee that will review and analyze the data collected, developing the plan and working on implementation, including funding. Board members and Port staff will be included in the interviews. Ms. McKenzie indicated CMAP will provide the Board with regular updates of the progress on the Master Plan project.

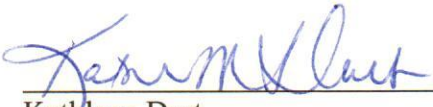
ADJOURNMENT

With no other business before the Board, Chairman Forde made a motion to adjourn. The motion was seconded by Mr. Fitzmaurice, and the motion passed unanimously.

The next Committee meetings and regular Board meeting are scheduled to take place on Friday, November 15, 2019. The meetings will be held at 9:00 am at 3600 E. 95th Street, Chicago, Illinois.



Terrence Fitzmaurice
Vice-Chairman



Kathleen Dart
Secretary